

**ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010**  
**COMMITTEE STATEMENT**  
**LB879**

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**Hearing Date:** Thursday January 21, 2010  
**Committee On:** Revenue  
**Introducer:** Cornett  
**One Liner:** Change revenue and taxation provisions

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 8 Senators Adams, Cornett, Dierks, Hadley, Louden, Pirsch, Utter, White  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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<b>Proponents:</b>	<b>Representing:</b>
Senator Abbie Cornett	Introducer
Doug Ewald	Department of Revenue
Catherine Lang	Nebraska Department of Labor

<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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**Summary of purpose and/or changes:**

LB 879 is introduced on behalf of the Nebraska Department of Revenue and is the department's annual bill designed to strengthen or enhance various statutes governing tax administration and enforcement.

LB 879 would:

1. Allow the Nebraska Department of Motor Vehicles and the Nebraska Department of Revenue to enter into agreements to disclose certain information (e.g., name, address, and Social Security Number) of any individual to whom a Nebraska operator's license, driver's license, or a state identification card has been issued under the Motor Vehicle Operator's License Act to the Nebraska Department of Revenue to assist the Department of Revenue in carrying out its duties. [LB 879, Sections 2, 4 and 18.]
  2. Enact a new statute allowing the Nebraska Department of Revenue and the Nebraska Department of Labor to publish a list delinquent taxpayers who owe taxes or fees, including interest, penalties, and costs, in excess of \$20,000 for which a notice of lien has been filed in accordance with the Uniform State Tax Lien Registration and Enforcement Act. The list can be posted on the web site of either department and must include the name and address of the delinquent taxpayer and the type and amount of tax or fee due (including interest, penalties, and costs). [LB 879, Section 5.]
  3. Exempt from statutory rules governing confidentiality of tax return information the disclosure of information to the Nebraska Department of Labor necessary for the administration of the Employment Security Law and the Contractor Registration Act. [LB 879, Sections 7 and 13.]
  4. Create an additional penalty for non-filers of withholding tax. The amount of the additional penalty would be equal to the same penalty imposed under current law for late filing of withholding tax returns (i.e., 10 percent of the total amount due, excluding interest and other penalties). [LB 879 Section 9.]
  5. Authorize the Tax Commissioner to abate interest on motor fuel tax payments. [LB 879, Section 3.]
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6. Simplify sales and use tax refunds for purchases made by contractors under the Nebraska Advantage Act. The refund would be based on 50 percent of the contract price, excluding any land, as the cost of materials subject to sales and use taxes for rentals of tangible personal property by a contractor or repairperson after appointment as a purchasing agent of the owner of an improvement to real estate when such property is incorporated into the real estate as part of the project. The refund would be based on the cost of materials subject to sales and use taxes that were annexed to real estate for rentals of tangible personal property by a contractor or repairperson after appointment as a purchasing agent of the taxpayer when such property is annexed to real estate as part of the project. The refund would be based on 50 percent of the contract price, excluding any land, as the cost of materials subject to sales and use taxes for rentals of tangible personal property by a contractor or repairperson after appointment as a purchasing agent of the taxpayer when such property is both incorporated into and annexed to real estate as part of the project. [LB 879, Section 15.] A claim for refund of sales and use taxes must include certain specified documentation. [LB 879, Section 15.] Those proposed changes would apply to all applications filed on or after three calendar months after adjournment of the 2010 regular legislative session. [LB 879, Section 16.]
7. Annual update of the Streamlined Sales and Use Tax Agreement. LB 879 would ratify amendments made to the agreement through December 31, 2009, and includes provisions pertaining to date of incorporation, certification of Certified Service Providers, and confidentiality of tax return information. [LB 879, Sections 6, 7, 8, and 10.]
8. Conform various administrative deadlines to the Administrative Procedures Act. It decreases various deadlines to 30 days (60 days under current law). [LB 879, Sections 10, 11, and 12.]
9. Change the source of funding compensation for assistants and expenses of the State Athletic Commissioner. The compensation of assistants and expenses of the State Athletic Commissioner would be paid through the State Athletic Commissioner's Cash Fund (such compensation and expenses are paid through the Charitable Gaming Fund under current law). [LB 879, Section 17.]
10. Amend Neb. Rev. Stat. Section 9-1,101(3)(a) so that certain gaming tax revenue (tax revenue derived from pickle cards, the Nebraska Lottery Act, and county, city, or village lotteries) will no longer be available for use by the Charitable Gaming Division of the Nebraska Department of Revenue to administer and enforce the law (Neb. Rev. Stat. Section 81-8,128) governing the State Athletic Commissioner. [LB 879, Section 1.]
11. Enact different operative dates for specified sections of LB 879. [LB 879, Section 19.]
12. Repeal original statutes that would be amended and reenacted by LB 879. [LB 879, Sections 20 to 23.]
13. Enact the emergency clause. [LB 879, Section 24.]

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**Explanation of amendments:**

The Revenue Committee amendment (AM 1798) to LB 879, in accordance with the wish of the Department of Revenue, is an attempt to clarify sales and use tax refund provisions under the Nebraska Advantage Act that affect the purchase of tangible personal property by purchasing agents. The reason for the proposed change is that there is some overlap between the different types of tangible personal property and that needs clarification. The committee amendment would amend section 14 of LB 879 to clarify the treatment of the different types of tangible personal property.

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Abbie Cornett, Chairperson